



# Department of Justice

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**FORMER NEW YORK DAIRY EMPLOYEE PLEADS  
GUILTY IN MILK BID RIGGING CONSPIRACY**

WASHINGTON, D.C. -- A former New York dairy employee pleaded guilty to rigging bids for the sale of milk to school districts in western New York, the Department of Justice's Antitrust Division said today.

To date, 55 corporations and 52 individuals have been convicted and a total of approximately \$53.7 million in fines have been imposed in the Department's ongoing nationwide investigation into the supply of dairy products to public school districts.

James E. O'Mara of Bradford, Pennsylvania, was charged with conspiring to rig bids for the supply of milk to school districts in western New York while he was an employee of Upstate Milk Cooperatives Inc. Upstate pleaded guilty to similar charges and was fined \$975,000 on September 15, 1993.

The Department, in a one-count felony charge filed in U.S. District Court in Rochester, New York, said O'Mara, on behalf of Upstate and others, conspired to rig bids, allocate contracts and refrain from bidding competitively against one another to supply

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milk and related products to schools in western New York in violation of the Sherman Act. The conspiracy began prior to the mid-1980's and continued until at least mid-1991, the Department said.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charges arose in connection with a grand jury investigation in western New York into collusive practices by dairy products suppliers.

The investigation by the Division's New York field office, the Federal Bureau of Investigation and the Antitrust Bureau of the New York State Attorney General's office is continuing. O'Mara, pursuant to his plea agreement with the government, has agreed to cooperate in the investigation.

Some 26 individuals have been sentenced to serve a total of 4,684 days in jail--an average of approximately six months imprisonment. Twenty-seven grand juries in 19 states continue to investigate the milk industry.

The maximum penalty for an individual convicted under the Sherman Act for a violation occurring after November 16, 1990, is three years imprisonment and a fine of \$350,000, twice the pecuniary gain the individual derived from the crime, or twice the pecuniary loss caused to the victims of the crime, whichever is greatest.

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